



DEPARTMENT OF THE NAVY
NAVAL FACILITIES ENGINEERING COMMAND
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IN REPLY REFER TO
ACQ 021
29 Dec 00

MEMORANDUM FOR NAVFAC ACQUISITION PERSONNEL

Subj: SMALL BUSINESS SET-ASIDE ORDER OF PRECEDENCE (00-51)

Ref: (a) [NAVFAC Acquisition Management Strategy Plan](#)
(b) DFARS 219.201

Encl: (1) Small Business Programs Set-Aside Precedence Matrix

1. Reference (a) identifies the importance of establishing execution strategies that will achieve Small and Disadvantaged Business Utilization Program Goals. Accordingly, enclosure (1) is provided as a tool to assist in understanding the applicability of the regulations to the various set-aside preference categories. This matrix will assist the acquisition strategy team in the review of requirements over \$10,000 to determine whether or not the requirement is appropriate for small business programs, Javits-Wagner-O'Day program (National Institute for the Severely Handicapped (NISH) and National Institute for the Blind (NIB)), Historically Black Colleges and Universities (HBCUs), and Minority Institutions (MIs).

2. In accordance with reference (b), all acquisitions over \$10,000 require a set-aside analysis. Prior to publishing a solicitation announcement through ESOL or the Commerce Business Daily, the appropriate coordination between the contracting officer and the contracting activity small business specialist must be complete and documented on the DD Form 2579, Small Business Coordination Record. Orders placed under multiple award contracts (MACs) and indefinite quantity type contracts (BOS/JOC, etc.) also require the same analysis and documentation by the contracting officer and contracting activity small business specialist.

3. In accordance with FAR Part 7, if requirements are bundled under a single solicitation, a list of the bundled requirements as well as the rationale for the bundling decision shall also be included on the DD Form 2579 to provide a record of the review process.

4. For FY00, the Navy did not meet the threshold for the Small Business Competitiveness Demonstration Program (architect-engineer and construction). With increased DoD emphasis in meeting assigned small business goals, the importance of establishing an Execution

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Plan across all business lines is significant. This also flows down to the ROICC. EFD/A CCOs must be aware of the small business strategies within their geographic area of responsibility.

A handwritten signature in cursive script, reading "Robert R. Boyer".

ROBERT R. BOYER
Director, Acquisition

Small Business Programs Set-Aside Precedence Matrix

NAVFAC 12/00

Note: DD2579s are required on all actions above \$10,000.

Contract Type	Example	Dollar Threshold (Total w/all options)	NISH/NIB Set-Aside (Ref. A)	8(a) Set-Aside (Ref. B)	HUB Zone Set-Aside Note (1) (Ref. C,E,I)	VSB Set-Aside Note (2) (Ref. G)	ESB Set-Aside (Ref. D)	SB Set-Aside (Ref. E and H)	Unrestricted Note (3) (Ref. J,K,L)
Architect/ Engineer	Note (4) and Ref. (H): Family housing and military construction projects <i>(NOT COMP DEMO)</i>	<\$2,500	N/A	(5)	(5)	(5)	(5)	(5)	(5)
		\$2,500 to \$50,000	N/A	2 nd Priority	4 th Priority	3 rd Priority	1 st Priority	5 th Priority	6 th Priority
		\$50,000 to \$85,000	N/A	1 st Priority	2 nd Priority	N/A	N/A	3 rd Priority	4 th Priority
		\$85,000 to \$100,000	N/A	1 st Priority	2 nd Priority	N/A	N/A	N/A	3 rd Priority
		>\$100,000	N/A	1 st Priority	2 nd Priority	N/A	N/A	N/A	3 rd Priority
	Note (7) and Ref. (F): Other than family housing and military construction projects NAICS54133,54131, 54132,54137	< \$2,500	N/A	(5)	(5)	(5)	(5)	(5)	(5)
		\$2,500 to \$50,000	N/A	2 nd Priority	3 rd Priority	N/A	1 st Priority	4 th Priority	5 th Priority
		\$50,000 to \$100,000	N/A	1 st Priority	2 nd Priority	N/A	N/A	3 rd Priority	4 th Priority
		> \$100,000	N/A	1 st Priority	2 nd Priority	N/A	N/A	3 rd Priority	4 th Priority
Construction (Ref. I)	Subsector 234 (including RAC) 2/24/99 NAVFAC policy <i>(Not COMP DEMO)</i>	< \$2,500	N/A	(5)	(5)	(5)	(5)	(5)	(5)
		\$2,500 to \$25,000	(6)	2 nd Priority	3 rd Priority	N/A	1 st Priority	4 th Priority	5 th Priority
		\$25,000 to \$100,000	(6)	1 st Priority	2 nd Priority	N/A	N/A	3 rd Priority	4 th Priority
		> \$100,000	(6)	1 st Priority	2 nd Priority	N/A	N/A	3 rd Priority	4 th Priority
	Subsector 233 and 235 <i>(COMP DEMO)</i>	< \$2,500	N/A	(5)	(5)	(5)	(5)	(5)	(5)
		\$2,500 to \$25,000	(6)	2 nd Priority	3 rd Priority	N/A	1 st Priority	4 th Priority	5 th Priority
		\$25,000 to \$100,000	(6)	1 st Priority	2 nd Priority	N/A	N/A	N/A	3 rd Priority
		> \$100,000	N/A	1 st Priority	2 nd Priority	N/A	N/A	N/A	3 rd Priority
Facility Support	Refuse CollectionNAICS Codes 562111, 562119 & 562219(Ref. I) <i>(COMP DEMO)</i>	< \$2,500	N/A	(5)	(5)	(5)	(5)	(5)	(5)
		\$2,500 to \$25,000	N/A	2 nd Priority	3 rd Priority	N/A	1 st Priority	4 th Priority	5 th Priority
		\$25,000 to \$100,000	N/A	1 st Priority	2 nd Priority	N/A	N/A	N/A	3 rd Priority
		> \$100,000	N/A	1 st Priority	2 nd Priority	N/A	N/A	N/A	3 rd Priority
	All Others <i>(Not COMP DEMO)</i>	< \$2,500	N/A	(5)	(5)	(5)	(5)	(5)	(5)
		\$2,500 to \$25,000	1 st Priority	2 nd Priority	4 th Priority	3 rd Priority	N/A	5 th Priority	6 th Priority
		\$25,000 to \$100,000	1 st Priority	2 nd Priority	3 rd Priority	N/A	N/A	4 th Priority	5 th Priority
		> \$100,000	1 st Priority	2 nd Priority	3 rd Priority	N/A	N/A	4 th Priority	5 th Priority

Notes

- (1) HUBZone 8(a) takes Priority over 8(a). HUBZone set-aside takes Priority over HUBZone sole source. Sole source threshold < \$3,000,000. May set aside HUBZone SB acquisitions between \$2,500 and \$100,000 (FAR 13.003)(b)(2).
- (2) Very Small Business applies to the states of DE, KY, LA, MA, MI, NM and some counties in CA, OH, PA and TX. No more than 15 employees and has average annual receipts that do not exceed \$1 million. Program expires 9/30/00. See FAR 19.001& 19-903(a)(2) The 2001 SBA Reauthorization Bill requests extension of this program.
- (3) 10% evaluation preference given to HUBZone firms when procurement is >\$100,000 & Unrestricted.
- (4) Excluded from Competitiveness Demo Program, except for ESB set-aside requirements (DFARS 219.1005).
- (5) Procurements below \$2,500 fall under micro-purchase regulations. While there is no requirement to set-aside, purchases for JWOD, 8(a), SB, SDB, WOSB VOSB, SDVOSB and HUBZone SB's are encouraged per OSN OSDBU and purchase card training
- (6) Some construction, i.e., painting and repairs, can be performed by NISH/NIB.
- (7) SB Set-Aside for A-E Services other than family housing and military construction was reinstated 9/30/91. See OUSD memo of 9/12/98.

References

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| A - FAR 8.704 | G - FAR 19.903 |
| B - DFAR 219.803(c) | H - DFAR 219.502 |
| C - FAR 19.1301 | I - FAR 19.1005 |
| D - FAR 19.1007(2)(c) | J - DFAR 215.304 |
| E - FAR 19.50(c) | K - FAR 19.702(a)(1) |
| F - DFAR 219.1005 | L - FAR 19.1307 |